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AMENDED IN SENATE APRIL 18, 2005

SENATE BILL

No. 247

Introduced by Senator Perata

(Principal coauthors: Assembly Members Nunez and Plescia)

February 15, 2005

An act to amend Sections 18600, 18602, 18613, 18618, 18706, 18711, 18822, 18824, 18880, ~~18881~~, and 18882 of, and to add Sections 18602.5 and 18828 to, the Business and Professions Code, relating to the Boxing Act, ~~and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 247, as amended, Perata. The Boxing Act.

Existing law, the Boxing Act, creates the State Athletic Commission and makes it responsible for licensing and regulating boxing, kickboxing, and martial arts matches. A violation of the act is a crime.

Existing law gives the commission specified duties and powers, including requiring the commission to appoint an executive officer. Under existing law, the provisions creating the commission become inoperative on July 1, 2006, and are repealed on January 1, 2007. Existing law also provides for the Boxers' Pension Fund, a continuously appropriated fund, into which contributions to the boxers' pension plan are deposited.

This bill would provide that the Boxing Act may also be referred to as the State Athletic Commission Act. The bill would, as of January 1, 2007, reestablish the commission and provide for the appointment of an executive officer, and would make these provisions inoperative and repeal them on July 1, 2009, and January 1, 2010, respectively. The bill would decrease the membership of the commission to 7 and would revise the composition and membership requirements for the commission. ~~The bill would state the intent of the Legislature that the Director of Consumer Affairs, in cooperation with the Senate Committee on Rules and the Speaker of the Assembly, may form and convene an ad hoc advisory committee beginning July 1, 2006, and ending January 1, 2007, to assist the director during the time that the Boxing Act is enforced by the director.~~

Existing law requires the commission to furnish annually to the Senate Committee on Business and Professions and the Assembly Committee on Government Organization a report indicating the amount of assessment collected from each promoter and the purposes for which the moneys were expended.

This bill would instead require that, on or before July 30, 2010, a specified report be made to the Governor and the Legislature on the condition of the State Athletic Commission Neurological Examination Account and the Boxers' Pension Fund. The bill would also require the commission to adopt and then submit to the Governor and the Legislature a strategic plan with specified information by September 30, 2008, a report on the status of the adoption of the strategic plan on or before September 30, 2007, and a report on the implementation of the strategic plan by August 1, 2009.

Existing law requires certain physical examinations to be made upon an athlete regulated by the act *as a condition of licensure and prior to a contest or match*.

This bill would revise *those* provisions related to the physical examinations of licensees and contestants, including certain examination requirements, as specified.

Existing law requires every person conducting a contest or wrestling exhibition to, within 72 hours after the determination of a contest or exhibition for which admission is charged and received, furnish the commission with a report under penalty of perjury that includes specified information regarding the receipts and price for the event. Existing law imposes specified fees with respect to athletic contests or matches regulated by the commission, including a fee of up to 5% of

the gross price for the sale, lease, or other exploitation of broadcasting or television rights for a contest or wrestling exhibition, with specified exceptions.

This bill would instead require the report by a person conducting a contest or wrestling exhibition to be made within 5 *working* days of the event. The bill would require that the fee of up to 5% of the gross price paid for the broadcasting rights be no more than \$10,000, would allow the commission to promulgate regulations to change the amount of the fee, as specified, and would make other related changes. The bill would allow the commission to enter into a contract to sanction, supervise, or provide other services for a contest under the act for which these fees do not apply only if the contract ~~contains certain elements, including providing for full reimbursement of the commission's costs and a contribution to the Boxers' Pension Fund. By increasing contributions to that continuously appropriated fund,~~ *provides for appropriate compensation to the commission.* The bill would also limit the administrative costs associated with the Boxers' Pension Fund to no more than 20% of the average annual contribution to the fund in the previous 2 years, as specified.

Existing law provides that a license under the act may be renewed any time prior to December 31 of the year it was issued.

This bill would provide that a license issued on and after January 1, 2007, shall expire one year from the date of issue, and would provide for additional requirements for license renewal.

Because this bill would revise certain requirements of the act, the violation of which would be a crime, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: ~~yes~~*no*. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 18600 of the Business and Professions Code is amended to read:

18600. This chapter shall be known and may be cited as the Boxing Act or the State Athletic Commission Act.

Whenever a reference is made to the Boxing Act or the State Athletic Commission Act by the provisions of any statute, it is to be construed as referring to the provisions of this chapter.

SEC. 2. Section 18602 of the Business and Professions Code is amended to read:

18602. (a) Except as provided in this section, there is in the Department of Consumer Affairs the State Athletic Commission, which consists of seven members. Five members shall be appointed by the Governor, one member shall be appointed by the Senate Rules Committee, and one member shall be appointed by the Speaker of the Assembly.

The members of the commission appointed by the Governor are subject to confirmation by the Senate pursuant to Section 1322 of the Government Code.

No person who is currently licensed, *or who was licensed within the last two years*, under this chapter may be appointed or reappointed to, or serve on, the commission.

(b) In appointing commissioners under this section, the Governor, the Senate Rules Committee, and the Speaker of the Assembly shall make every effort to ensure that at least four of the members of the commission shall have experience and demonstrate expertise in one of the following areas:

(1) A licensed physician or surgeon having expertise or specializing in neurology, neurosurgery, ~~and head trauma~~, or sports medicine. Sports medicine includes, but is not limited to, physiology, kinesiology, or other aspects of sports medicine.

(2) Financial management.

(3) Public safety.

(4) Past experience in the activity regulated by this chapter, either as a contestant, a referee or official, a promoter, or a venue operator.

(c) Each member of the commission shall be appointed for a term of four years. All terms shall end on January 1. Vacancies occurring prior to the expiration of the term shall be filled by

1 appointment for the unexpired term. No commission member
2 may serve more than two consecutive terms.

3 (d) Notwithstanding any other provision of this chapter,
4 members first appointed shall be subject to the following terms:

5 (1) The Governor shall appoint two members for two years,
6 two members for three years, and one member for four years.

7 (2) The Senate Committee on Rules shall appoint one member
8 for four years.

9 (3) The Speaker of the Assembly shall appoint one member
10 for four years.

11 (4) The appointing powers, as described in subdivision (a),
12 may appoint to the commission a person who was a member of
13 the prior commission prior to the repeal of that commission on
14 July 1, 2006.

15 (e) This section shall become inoperative on July 1, 2009, and
16 as of January 1, 2010, is repealed, unless a later enacted statute,
17 which becomes operative on or before January 1, 2010, deletes or
18 extends the dates on which it becomes inoperative and is
19 repealed. The repeal of this section renders the commission
20 subject to the review required by Division 1.2 (commencing with
21 Section 473).

22 SEC. 3. Section 18602.5 is added to the Business and
23 Professions Code, to read:

24 18602.5. (a) The commission shall adopt and submit a
25 strategic plan to the Governor and the Legislature on or before
26 September 30, 2008. The commission shall also submit a report
27 to the Governor and the Legislature on the status of the adoption
28 of the strategic plan on or before September 30, 2007. The
29 strategic plan shall include, but shall not be limited to, efforts to
30 resolve prior State Athletic Commission deficiencies in the
31 following areas:

32 (1) Regulation of the profession, what fees should be paid for
33 this regulation, and the structure and equity of the fees charged.

34 (2) The effect and appropriateness of contracts made pursuant
35 to Section 18828.

36 (3) Costs to train officials.

37 (4) Steps that need to be taken to ensure sufficient sources of
38 revenue and funding.

39 (5) Necessity for review and modification of organizational
40 procedures, the licensing process, and the complaint process.

1 (6) Outdated information technology.

2 (7) Unorganized and improper accounting.

3 (8) Miscalculations at events, a lack of technology to record
4 proper calculations, and funding issues.

5 (9) The health and safety of the participants and the public in
6 attendance at events regulated under this chapter, including costs
7 of examinations under Section 18711.

8 (b) The commission shall solicit input from the public, the
9 State Auditor, the Little Hoover Commission, the Center for
10 Public Interest Law, and others as necessary in preparing and
11 adopting the strategic plan.

12 (c) The commission shall report on progress in implementing
13 the strategic plan to the Director of Consumer Affairs, the
14 Governor, and the Legislature by August 1, 2009.

15 SEC. 4. Section 18613 of the Business and Professions Code
16 is amended to read:

17 18613. (a) The commission, by and with the approval of the
18 director, shall appoint an executive officer and fix his or her
19 compensation. The executive officer shall carry out the duties
20 prescribed by this chapter and additional duties as may be
21 delegated by the commission. The commission may employ in
22 accordance with Section 154 other personnel as may be
23 necessary for the administration of this chapter.

24 (b) This section shall become inoperative on July 1, 2009, and,
25 as of January 1, 2010, is repealed, unless a later enacted statute,
26 which becomes effective on or before January 1, 2010, deletes or
27 extends the dates on which it becomes inoperative and is
28 repealed.

29 SEC. 5. Section 18618 of the Business and Professions Code
30 is amended to read:

31 18618. The commission shall furnish to the Governor and the
32 Legislature a report, on or before July 30, 2010, on the following:

33 (a) The condition of the State Athletic Commission
34 Neurological Examination Account. This report shall include the
35 amount of the assessment collected from each promoter pursuant
36 to Section 18711, the purposes for which moneys in the account
37 are expended, and findings and recommendations on the
38 amounts, appropriateness, and effectiveness of these assessments.
39 *The report shall also include a recommendation on the viability*
40 *and need for creating a medical database that would be used for*

1 *identifying trends in medical records and data associated with*
2 *injuries and deaths related to competing.*

3 (b) The condition of the Boxers' Pension Fund. This report
4 shall include a recommendation on whether the fund should be
5 continued and, if so, whether it should be expanded to include all
6 athletes licensed under this chapter and appropriate fees paid into
7 the fund.

8 SEC. 6. Section 18706 of the Business and Professions Code
9 is amended to read:

10 18706. (a) Not later than at the ~~weighing~~ *weigh-in* time,
11 which shall be ~~at least 24 but~~ not more than 30 hours prior to the
12 beginning of the first event, the physician provided for in Section
13 18705 shall conduct a physical examination of the contestant *and*
14 *certify in writing as to the contestant's physical condition to*
15 *engage in the contest or match.*

16 (1) The commission shall make the contestants' medical
17 records available to the physician and the physician shall review
18 the contestant's medical records as part of the certification of the
19 contestant's physical condition.

20 (2) The physician shall determine whether the contestant may
21 have any knowledge, manifestations, symptoms, or prior history
22 of a physical condition that may affect the contestant's ability to
23 perform or present a potential threat to the contestant's health as
24 a result of competing in the contest or match. The contestant
25 shall complete a questionnaire developed by the commission.
26 The contestant shall be asked to disclose on the questionnaire any
27 conditions of which the contestant is aware, including, but not
28 limited to, any of the following:

29 (A) Significant weight gain or loss and any change in weight
30 in the seven days prior to the contest.

31 (B) Neuromuscular condition, including peripheral nerves,
32 muscle problems, and brain problems.

33 (C) Pregnancy.

34 (D) Bone fractures and all forms of arthritis.

35 (E) Any condition related to vision or changes in hearing
36 function.

37 (F) Heart condition or other cardiovascular condition.

38 (G) Pulmonary or respiratory condition.

39 (H) Renal or urological condition.

(I) Hematological condition, including manifestations of any unusual bleeding or bruising.

If any condition is disclosed under this paragraph, the physician shall not allow the contestant to compete unless the physician or, at the contestant's discretion, the contestant's personal physician, who is licensed to practice medicine in the United States, has conducted a physical examination and determined that the specific condition does not affect the contestant's ability to perform or present a potential threat to the contestant's health as a result of competing in the contest or match.

(3) The questionnaire shall be developed by the commission through promulgated regulations in consultation with qualified medical professionals.

(4) Nothing in this chapter may be construed to require a contestant to submit to a pregnancy test.

(b) (1) On the day of the event, and no later than one hour before the contestants enter the ring, the physician provided for in Section 18705 shall conduct a ~~cursory examination~~ *brief reexamination* and certify in writing as to the contestant's physical condition to engage in the contest or match. This ~~certification shall include all physical examination information~~ *reexamination shall include an evaluation of any significant changes since the physical examination* provided under subdivision (a).

(c) A report of the medical examinations shall be filed with the commission not later than 24 hours after the termination of the contest or match. The physician's report of the examination shall include specific mention as to the condition of the contestant's heart, nerves and brain.

SEC. 7. Section 18711 of the Business and Professions Code is amended to read:

18711. (a) (1) The commission shall require, as a condition of licensure and as a part of the application process, the examination by a licensed physician and surgeon who specializes in neurology and neurosurgery of each applicant for a license as a professional ~~boxer~~ *athlete or contestant licensed under this chapter* or, if for the renewal of a license, this examination every year, in addition to any other medical examinations. Upon initial licensure, the examination shall include *a dilated ophthalmologic*

1 eye examination by an ophthalmologist, a neurological
2 examination, ~~a magnetic resonance imaging (MRI) or a~~
3 ~~neuro-psychological examination, a brain imaging scan, and an~~
4 ~~electrocardiogram (EKG).~~ The physician may recommend any
5 additional tests or evaluations he or she deems necessary. For
6 renewal of a license, the physician shall determine the tests or
7 evaluations necessary, if any. *The commission may require an*
8 *athlete or contestant licensed under this chapter to undergo*
9 *additional neurological tests where, based on the totality of the*
10 *athlete's or contestant's records, it appears the athlete or*
11 *contestant may be at risk of cognitive impairment.* On the basis
12 ~~of that examination~~ *a physical examination under this*
13 *subdivision, and any additional tests that are conducted, the*
14 *physician may recommend to the commission whether the*
15 *applicant may be permitted to be licensed in California or not.*
16 The executive officer shall review these recommendations and
17 report any denials of licensure. If, as a result of these
18 recommendations, the executive officer refuses to grant the
19 applicant a license or to renew a license, the applicant shall not
20 compete in California until the denial has been overruled by the
21 commission as provided in this chapter.

22 (2) In the absence of any pertinent untoward medical event,
23 the commission may, *in its discretion, on forms prescribed by the*
24 *commission,* accept tests or evaluations completed within one
25 year of licensure or completed as part of licensure in another
26 state to meet the requirements of this subdivision. *The*
27 *commission may waive the requirement for a brain imaging scan*
28 *or an EKG if a brain imaging scan or EKG has been completed*
29 *as part of licensure in another state, the commission determines*
30 *that this creates a reliable baseline for the athlete or contestant,*
31 *and the commission has been provided a copy of the reports of*
32 *those exams.*

33 (3) (A) Any medical records obtained, reviewed, or created
34 under this chapter shall be utilized only for purposes of
35 ~~regulation under administering this chapter.~~ The commission and
36 any physician may not ~~disseminate or share~~ *disclose* the athlete's
37 medical records without a signed authorization from the athlete,
38 *except that the commission may disclose those records to other*
39 *regulatory and law enforcement agencies where appropriate.*

(B) *The commission may use medical information for purposes of participating in medical research studies of the effects on the human body of contests and exhibitions regulated under this chapter. However, medical information shall not include any personal identifying information on any contestant, including, but not limited to, the contestant's name, address, telephone number, social security number, license number, federal identification number, or any other information identifying the contestant. The medical information shall only be provided if the licensed athlete has consented in writing to participating in the research study.*

(b) If an applicant for licensure as a professional athlete under this chapter undergoes a neurological examination for purposes of licensure within the 120-day period immediately preceding the normal expiration of that license, the applicant shall not be required to undergo an additional neurological examination within the following ~~calendar year~~ *12 consecutive month license period* unless the commission, for cause, orders that the examination be taken. The commission shall notify all commission approved physicians and referees that the commission has the authority to order any professional athlete to undergo a neurological examination.

(c) The cost of the examinations required by this section shall be paid from assessments on any one or more of the following: promoters of professional ~~boxing~~ matches, managers, and professional ~~boxers in California~~ *athletes or other contestants licensed under this chapter*. The rate and manner of assessment shall be set by the commission, and may cover all costs associated with the requirements of this section. This assessment shall be imposed on all contests approved by the commission under this chapter. As of July 1, 1994, all moneys received by the commission pursuant to this section shall be deposited in and credited to the State Athletic Commission Neurological Examination Account which is hereby created in the General Fund.

(d) Whenever a reference is made to the Boxers' Neurological Examination Account, it is to be construed as referring to the State Athletic Commission Neurological Examination Account.

SEC. 8. Section 18822 of the Business and Professions Code is amended to read:

1 18822. (a) A license may be renewed at any time prior to
2 midnight on December 31 of the year in which it was issued. If
3 not renewed, the license shall expire at that time.

4 (b) *A licensed issued on or after January 1, 2007, shall expire*
5 *one year from the date it was issued. To renew an unexpired*
6 *license, the license holder shall, on or before midnight of the day*
7 *on which the license would otherwise expire, apply for renewal*
8 *on a form prescribed by the commission and pay the prescribed*
9 *renewal fee. If the license holder is a boxer or martial arts*
10 *contestant, the renewal application shall also be accompanied by*
11 *the required medical examinations and test results. If not*
12 *renewed, the license shall expire at that time. Renewal of an*
13 *unexpired license shall continue the license in effect for one year*
14 *from the expiration date of the license, when it shall expire if it is*
15 *not renewed.*

16 ~~SEC. 8.~~

17 SEC. 9. Section 18824 of the Business and Professions Code
18 is amended to read:

19 18824. (a) (1) Except as provided in Sections 18646 and
20 18832, every person who conducts a contest or wrestling
21 exhibition shall, within five *working* days after the determination
22 of every contest or wrestling exhibition for which admission is
23 charged and received, furnish to the commission a written report
24 executed under penalty of perjury by one of the officers, showing
25 the amount of the gross receipts, not to exceed two million
26 dollars (\$2,000,000), and the gross price for the contest or
27 wrestling exhibition charged directly or indirectly and no matter
28 by whom received, for the sale, lease, or other exploitation of
29 broadcasting and television rights of the contest or wrestling
30 exhibition, and without any deductions, except for expenses
31 incurred for one broadcast announcer, telephone line connection,
32 and transmission mobile equipment facility, which may be
33 deducted from the gross taxable base when those expenses are
34 approved by the commission.

35 (A) The person shall also, within the same time, pay to the
36 commission a fee of 5 percent, exclusive of any federal taxes
37 paid thereon, of the amount paid for admission to the contest or
38 wrestling exhibition, except that, for any one contest, the fee
39 shall not exceed the amount of one hundred thousand dollars
40 (\$100,000).

(B) The person shall also, at the same time, pay to the commission a fee of up to 5 percent of the gross price as described above for the sale, lease, or other exploitation of broadcasting or television rights thereof, which fee, except as provided in paragraph (2), shall be no more than ten thousand dollars (\$10,000) and no less than one thousand dollars (\$1,000). The minimum fee for an amateur contest or exhibition shall not be less than five hundred dollars (\$500). The amount of the gross receipts upon which the fee provided for in this section is calculated shall not include any assessments levied by the commission under Section 18711.

The fee on admission shall apply to the amount actually paid for admission and not to the regular established price.

No fee is due in the case of a person admitted free of charge. However, if the total number of persons admitted free of charge ~~to a boxing, kickboxing, or martial arts contest or wrestling to a~~ *contest or exhibition under this chapter* exceeds 25 percent of the total number of spectators, then a fee of one dollar (\$1) per complimentary ticket or pass used to gain admission to the contest shall be paid to the commission for each complimentary ticket or pass that exceeds the numerical total of 25 percent of the total number of spectators.

(2) The commission may promulgate regulations to change the amount of the fee charged under subparagraph (B) of paragraph (1). In no case shall the fee be more than 5 percent of the gross price as described above for the sale, lease, or other exploitation of broadcasting or television rights thereof.

(b) If the fee on admissions for any one contest exceeds seventy thousand dollars (\$70,000), the amount in excess of seventy thousand dollars (\$70,000) shall be paid one-half to the commission and one-half to the Boxers' Pension Fund.

(c) As used in this section, "person" includes a promoter, club, individual, corporation, partnership, association, or other organization, and "wrestling exhibition" means a performance of wrestling skills and techniques by two or more individuals, to which admission is charged or which is broadcast or televised, in which the participating individuals are not required to use their best efforts in order to win, and for which the winner may have been selected before the performance commences.

~~SEC. 9.~~

SEC. 10. Section 18828 is added to the Business and Professions Code, to read:

18828. (a) The commission may enter into a contract to sanction, supervise, or provide other services for contests under this chapter for which the fees under this chapter do not apply only if the contract provides for the following:

~~(a) Full reimbursement to the commission for all costs incurred.~~

~~(b) For a appropriate compensation to the commission.~~

(b) *It is the intent of the Legislature that appropriate compensation to the commission shall include the following:*

(1) *Consideration of costs incurred by the commission.*

(2) A contribution into the Boxers' Pension Fund of not less than 20 percent of the commission's costs under ~~subdivision (a)~~ paragraph (1).

~~(c) For a~~

(3) A contribution into the State Athletic Commission Neurological Examination Account ~~in an amount equal to the amount that would otherwise be assessed under subdivision (c) of Section 18711.~~ of not less than 20 percent of the commission's costs under paragraph (1).

~~(d)~~

(4) That the contestant's participation in the contest shall be considered in consideration of participation and eligibility in the Boxers' Pension Fund.

~~SEC. 10.~~

SEC. 11. Section 18880 of the Business and Professions Code is amended to read:

18880. (a) The Legislature finds and declares all of the following:

(1) That professional athletes licensed under this chapter, as a group, for many reasons, do not retain their earnings, and are often injured or destitute, or both, and unable to take proper care of themselves, whether financially or otherwise, and that the enactment of this article is to serve a public purpose by making provisions for a needy group to insure a modicum of financial security for professional athletes.

(2) Athletes licensed under this chapter may suffer extraordinary disabilities in the normal course of their trade.

1 These may include acute and chronic traumatic brain injuries,
2 resulting from multiple concussions as well as from repeated
3 exposure to a large number of subconcussive punches, eye
4 injuries, including retinal tears, holes, and detachments, and other
5 neurological impairments.

6 (3) The pension plan of the commission is part of the state's
7 health and safety regulatory scheme, designed to protect boxers
8 licensed under this chapter from the health-related hazards of
9 their trade. The pension plan addresses those health and safety
10 needs, recognizing the disability and health maintenance
11 expenses those needs may require.

12 (4) The regulatory system of California is interrelated with the
13 conduct of the trade in every jurisdiction. Athletes licensed under
14 this chapter participate in contests in other states and many
15 athletes who are based in those other jurisdictions may
16 participate in California on a single-event basis.

17 (5) The outcomes and natures of fights in other jurisdictions
18 are relevant to California regulatory jurisdiction and are routinely
19 monitored for health and safety reasons, so that, for example, a
20 knockout of an athlete licensed under this chapter in another
21 jurisdiction is paid appropriate heed with respect to establishing
22 a waiting period before that athlete may commence fighting in
23 California.

24 (6) The monitoring of other jurisdictions is an integral part of
25 the health and safety of California athletes licensed under this
26 chapter due to the interstate nature of the trade, and therefore the
27 regulatory scheme for contests and athletes under this chapter
28 should reflect this accordingly.

29 (b) The provisions of this article pertain only to professional
30 athletes licensed under this chapter.

31 ~~SEC. 11. Section 18881 of the Business and Professions Code~~
32 ~~is amended to read:~~

33 ~~18881. (a) The commission shall, consistent with the~~
34 ~~purposes of this article, establish a pension plan for professional~~
35 ~~boxers who engage in boxing contests in this state.~~

36 ~~(b) The commission shall, consistent with the purposes of this~~
37 ~~article, establish the method by which the pension plan will be~~
38 ~~financed, including those who shall contribute to the financing of~~
39 ~~the pension plan. The method of financing the pension plan may~~
40 ~~include, but is not limited to, assessments on tickets and~~

1 ~~contributions by boxers, managers, promoters, or any one or~~
2 ~~more of these persons, in an amount sufficient to finance the~~
3 ~~pension plan. For purposes of this section, the term “sufficient”~~
4 ~~means that the annual contributions shall be calculated to achieve~~
5 ~~no less than the average level of annual aggregate pension plan~~
6 ~~contributions from all sources for the period from July 1, 1981,~~
7 ~~through December 31, 1994, and adjusted thereafter to reflect~~
8 ~~changes in the Consumer Price Index for California as set forth~~
9 ~~by the Bureau of Labor Statistics.~~

10 (e) ~~Any pension plan established by the commission shall be~~
11 ~~actuarially sound.~~

12 (d) ~~On and after January 1, 2007, if a boxer competes in an~~
13 ~~event in which the gross receipts fee is restrained by the statutory~~
14 ~~limit imposed pursuant to subdivision (a) of Section 18824, then~~
15 ~~at the end of that fiscal year, the portion of pension fund~~
16 ~~contributions that are allocated to that boxer’s regular account on~~
17 ~~the basis of the boxer’s participation in that event shall be limited~~
18 ~~by the actual contribution made by the boxer to the pension fund~~
19 ~~through that participation.~~

20 SEC. 12. Section 18882 of the Business and Professions Code
21 is amended to read:

22 18882. (a) At the time of payment of the fee required by
23 Section 18824, a promoter shall pay to the commission all
24 amounts scheduled for contribution to the pension plan. If the
25 commission, in its discretion, requires pursuant to Section 18881,
26 that contributions to the pension plan be made by the boxer and
27 his or her manager, those contributions shall be made at the time
28 and in the manner prescribed by the commission.

29 (b) All contributions to finance the pension plan shall be
30 deposited in the State Treasury and credited to the Boxers’
31 Pension Fund, which is hereby created. Notwithstanding the
32 provisions of Section 13340 of the Government Code, all moneys
33 in the Boxers’ Pension Fund are hereby continuously
34 appropriated to be used exclusively for the purposes and
35 administration of the pension plan.

36 (c) The Boxers’ Pension Fund is a retirement fund, and no
37 moneys within it shall be deposited or transferred to the General
38 Fund.

39 (d) The commission has exclusive control of all funds in the
40 Boxers’ Pension Fund. No transfer or disbursement in any

1 amount from this fund shall be made except upon the
2 authorization of the commission and for the purpose and
3 administration of the pension plan.

4 (e) Except as otherwise provided in this subdivision, the
5 commission or its designee shall invest the money contained in
6 the Boxers' Pension Fund according to the same standard of care
7 as provided in Section 16040 of the Probate Code. The
8 commission has exclusive control over the investment of all
9 moneys in the Boxers' Pension Fund. Except as otherwise
10 prohibited or restricted by law, the commission may invest the
11 moneys in the fund through the purchase, holding, or sale of any
12 investment, financial instrument, or financial transaction that the
13 commission in its informed opinion determines is prudent.

14 (f) The administrative costs associated with investing,
15 managing, and distributing the Boxers' Pension Fund shall be
16 limited to no more than 20 percent of the average annual
17 contribution made to the fund in the previous two years, not
18 including any investment income derived from the corpus of the
19 fund. Diligence shall be exercised by administrators in order to
20 lower the fund's expense ratio as far below 20 percent as feasible
21 and appropriate.

22 ~~SEC. 13. It is the intent of the Legislature that the Director of~~
23 ~~Consumer Affairs, in cooperation with the Senate Committee on~~
24 ~~Rules and the Speaker of the Assembly, may form and convene~~
25 ~~an ad hoc advisory committee beginning July 1, 2006, to assist~~
26 ~~the director during the period of time the Boxing Act is enforced~~
27 ~~by the director. It is the intent of the Legislature that the director~~
28 ~~may consult with the ad hoc committee in the performance of his~~
29 ~~or her duties under the Boxing Act between July 1, 2006 and~~
30 ~~January 1, 2007.~~

31 ~~SEC. 14.~~

32 *SEC. 13.* No reimbursement is required by this act pursuant to
33 Section 6 of Article XIII B of the California Constitution because
34 the only costs that may be incurred by a local agency or school
35 district will be incurred because this act creates a new crime or
36 infraction, eliminates a crime or infraction, or changes the
37 penalty for a crime or infraction, within the meaning of Section
38 17556 of the Government Code, or changes the definition of a
39 crime within the meaning of Section 6 of Article XIII B of the
40 California Constitution.

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2 **CORRECTIONS:**
3 **Text - Page 13.**
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